

State of New Mexico
LEGISLATIVE EDUCATION STUDY COMMITTEE

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MINUTES
LESC MEETING
SEPTEMBER 8-10, 2008

Representative Rick Miera, Chair, called the Legislative Education Study Committee (LESC) meeting to order on Monday, September 8, 2008 at 9:30 a.m., Chama Elementary/Middle School Gymnasium, Chama, New Mexico.

The following LESC members were present:

Representatives Rick Miera, Chair, Roberto "Bobby" J. Gonzales, and Jimmie C. Hall; and Senators Cynthia Nava, Vice Chair, Vernon D. Asbill, Mary Jane M. Garcia, and Gay G. Kernan.

The following LESC advisory members were present:

Representative Thomas A. Garcia and Senator Lynda M. Lovejoy.

◊ **Approval of Agenda**

On a motion by Senator Asbill, seconded by Representative Hall, the committee unanimously approved the agenda as presented.

◊ **Welcome and Introductions**

Chairman Miera recognized the following individuals from Chama Valley Independent Schools who welcomed the committee to Chama: Mr. Manuel F. Valdez, Superintendent; Mr. Arthur Espinoza, Board President; and Mr. Larkin Vigil, Principal, Chama Elementary/Middle School. The superintendent and the board president announced the events planned for the committee hosted by the school district, and the principal provided details about the Chama Elementary/Middle School.

PROPOSED PUBLIC SCHOOL FUNDING FORMULA CALCULATIONS

- a. Review of Group 2 Calculations*
- b. Committee and Group 2 Discussion*
- c. Review of Group 1 Calculations*
- d. Committee and Group 1 Discussion*

Dr. Kathleen Forrer, LESC staff, explained that, for the 2008 interim, all 89 school districts have been invited to work with the LESC to examine the potential impact on school district programs and student achievement of the new public school funding formula that was proposed during the 2008 legislative session. She stated that, in order to facilitate this effort, the districts have been grouped according to student membership and scheduled to attend one of six LESC interim meetings.

Noting that two groups of districts would be discussing the proposed funding formula with the committee during the current meeting in Chama, Dr. Forrer directed the committee's attention to documents behind tab 1 in their notebooks. She explained that, in addition to a mock-up of the 2008 legislation provided by the Legislative Council Service (LCS), there was a table indicating the sources of the data used in the district and charter school calculators and a graphic representation comparing the current public school funding formula with the proposed funding formula. In addition, she said, there were two sets of documents, one for each group presenting, and that each set included a summary spreadsheet comparing the potential fiscal impact of the proposed funding formula on all of the districts in a particular group; copies of the individual calculators for the districts in that group; and a copy of the letter sent to the districts prior to the meeting both inviting them to participate and posing questions to which they had been asked to respond as a means of facilitating the discussion.

Dr. Forrer explained that, due to a previously scheduled school board function, the superintendent of West Las Vegas Public Schools, a member of Group 1, had requested to participate with the districts in Group 2. She noted that the groups were:

| Group 2 | | Group 1 | |
|--------------|------------|----------------|------------|
| District | Enrollment | District | Enrollment |
| Chama Valley | 463.0 | Española | 4,240.5 |
| Cuba | 671.0 | Taos | 2,914.0 |
| Mesa Vista | 449.0 | West Las Vegas | 1,784.0 |
| Questa | 425.5 | | |

Prior to each presentation by the school districts, Dr. Forrer reviewed with the committee the summary spreadsheet, which was based on the individual calculators for each district in that group. For the first presentation, the information for West Las Vegas Public Schools (West Las Vegas) was included with the information for the districts in Group 2. Noting that Group 2, with West Las Vegas, included districts with budgeted enrollments for school year 2007-2008 ranging from a high of 1,784 in West Las Vegas to a low of 425.5 in Questa Independent Schools (Questa), she explained that the overall adjustment factor for this group also ranged from a high of 2.481 in Cuba Independent Schools (Cuba) to a low of 1.894 in West Las Vegas, in part because the proposed funding formula reflects the fact that the per-student cost in a small school district is higher than in a district with an enrollment closer to the statewide average of approximately 3,532. However, she said, other factors in the formula also are major contributors to the overall adjustment factor, which is a composite adjustment based on student need as well

as district size. To illustrate the point, Dr. Forrer noted that the poverty rates among the five districts ranged from a low of 70.2 percent in Mesa Vista Consolidated Schools (Mesa Vista) to a high of 91.2 percent in Cuba. She added that, based on the percentage of students eligible for the federal Free and Reduced Fee Lunch Program, the districts presenting to the committee in Chama were situated in some of the poorest regions of the state, a need taken into account by the proposed funding formula.

Speaking in favor of the proposed funding formula, superintendents from the first five districts (Chama Valley Independent Schools, Cuba, Mesa Vista, Questa, and West Las Vegas) cited the following program improvements that they hoped sufficient funding could provide. However, the superintendents from the rural areas also cautioned that even sufficient funds might not enable them to attract additional qualified personnel to their districts to support the desired program improvements:

- literacy and math coaches at elementary schools;
- support for student assistance teams;
- support for art and music programs;
- better identification of and services for gifted students;
- more vocational programs and more varied programs;
- reinstatement of intervention programs, particularly in the areas of reading and math; and
- additional health and social services (nurses, counselors, and social workers).

The superintendent from the largest district also expressed the desire to add a bilingual specialist and to reduce class size.

One superintendent of a district with a large Native American population discussed the educational and emotional difficulties encountered by students who move back and forth between Bureau of Indian Education (BIE) schools and district schools. He noted that the district could better serve the needs of these students if it had the resources to add not only academic intervention programs but also behavioral and mental health counselors.

There was some disagreement among the superintendents regarding the use of the Educational Plan for Student Success (EPSS) as the mechanism to hold districts accountable for providing a sufficient educational program for all students. One superintendent stated that the EPSS would be “a good instrument for accountability,” while another called it “cumbersome.”

When asked by the committee what revenue sources they thought their communities would support to implement the proposed funding formula, the superintendents indicated that an increase in the gross receipts tax would probably be viewed favorably. One superintendent also mentioned increasing the distribution from the Land Grant Permanent Fund as another means of securing additional revenue.

Dr. Forrer stated that, although the districts in Group 1 were the largest in attendance at the meeting, only one—Española Public Schools (Española)—had an enrollment above the statewide average. Their 2007-2008 budgeted enrollments ranged from a low of 1,784 in West Las Vegas to a high of 4,240.5 in Española. She then directed her remarks to the two districts in Group 1 that would be presenting to the committee at this time, namely Española and Taos Municipal Schools (Taos). Explaining that, although the overall adjustment factors for these two districts reflected their relatively larger size, she stated that the adjustment factors also reflected differences in need, particularly with regard to poverty, the proportion of students in

high school, and the percent of English language learners (ELL). She noted that Taos had higher percentages of students participating in the federal Free and Reduced Fee Lunch Program and students in high school than did Española but that Española had a higher percentage of students identified as ELL. As a consequence of these combinations of need and size, Dr. Forrer stated, Taos had the higher overall adjustment factor of 1.746, while Española had the lower at 1.566.

Speaking in favor of the proposed funding formula, the superintendent of Taos noted that the current level of operational funding received by the district had required the district to leave vacant positions unfilled in order to balance the budget at a time when the district had several schools in restructuring. She indicated that the estimated additional funding generated by the proposed funding formula would allow the district to:

- restore programs, such as drama and music, that keep students interested in school;
- hire social workers, nurses, and security guards;
- hire more bilingually endorsed teachers;
- better serve gifted students;
- add honors and Advanced Placement courses; and
- recruit and retain special education teachers.

The superintendent of the Española district explained that the estimated additional funding for his district—approximately \$1.9 million, representing a 5.9 percent increase—is sufficient only to maintain current programs. He noted that, because the percentage of ELL students in the Española schools was decreasing, which he stated was a good thing, the district's overall adjustment factor was likely to decrease if the proposed formula is implemented. Adding that additional instructional days were crucial to increasing student achievement, he stated that he would like to see 200 instructional days included in the formula. Finally, he stated that the citizens in his community would not vote for a tax increase to fund the implementation of the proposed formula unless they could be guaranteed that all of the new revenue would be dedicated to that purpose.

Both groups were asked by the committee if the data used in the calculators appeared accurate. Several superintendents indicated that the reported percentage of students in the Free and Reduced Fee Lunch Program appeared low and that they would check with their staff. A committee member suggested that the percent of ELL students reported for Taos appeared low. The superintendent said that she would check with her staff but that she believed it was correct.

DIRECTOR'S REPORT

a. Approval of LESC Minutes for June 2008

On a motion by Representative Hall, seconded by Senator Asbill, the committee unanimously approved the LESC Minutes for June 2008.

b. Correspondence

Dr. Rindone reviewed several items of correspondence included in the committee members' notebooks, adding that these items are also available in the LESC permanent files. She said that there were several responses to committee requests from previous LESC meetings, among them: a summary of the postsecondary institutions that have waived tuition and fees for fall 2008 for

students enrolled in the dual credit program; an explanation from the Public Education Department (PED) on how funds would be distributed if the voters were to approve the sale of library bonds at the November general election; and an explanation of the feasibility of locally chartered charter schools' direct submission to the Student Teacher Accountability Reporting System (STARS). Also in correspondence was a news release from PED announcing over \$9.0 million in federal and state 21st Century Community Learning Center grants awarded to school districts and organizations across the state; a copy of House Bill 2 from the special session, which provided a \$4.0 million appropriation of supplemental funding for public school transportation; and a memo from the Secretary of Public Education to district superintendents regarding accountability for this appropriation.

On a point of personal privilege, Dr. Rindone submitted her formal letter of retirement effective September 30, 2008, although she had announced her retirement at the August meeting of the LESC.

On a motion by Representative Hall, seconded by Senator Nava, the committee unanimously accepted Dr. D. Pauline Rindone's letter of retirement effective September 30, 2008, with the stipulation that all of Dr. Rindone's accumulated annual leave be paid as of that date. All voting members were present with the exception of Representative Mimi Stewart, Representative Thomas E. Swisstack, and Representative W. C. "Dub" Williams.

Representative Miera announced that the committee and staff would host a celebration of Dr. Rindone's retirement on November 20, in conjunction with its meeting in Santa Fe.

Committee Discussion:

In response to a committee member's question regarding how the \$4.0 million appropriated for public school transportation during the special session would be distributed, Mr. Steve Burrell, Director, School Budget and Finance Analysis Bureau, PED, said the distribution would be in accordance with the bill, based on miles traveled to-and-from transportation of public school students.

Under the correspondence agenda item, referring to the August 19 memo sent to district superintendents regarding accountability for the FY 08 supplemental for school transportation fuel, a committee member expressed concern about who authorized such a message, adding that it was sent prior to the end of the special session of the Legislature. Mr. Burrell said that he had spoken to the Secretary of Public Education, who said that the memo had been sent prematurely without proper protocol and that no money would be withheld from the school districts even if the proper documentation was not provided.

Regarding the news release about the \$9.0 million in federal and state 21st Century funds, a committee member expressed concern that because school districts receive the federal grants for five years only, they must request state funds if they wish to continue their programs. He said that this situation poses a problem to the state because each year there are numerous requests from programs that are no longer eligible to receive federal funding, placing an additional burden on the Legislature to fund these programs.

DUAL CREDIT: LESC WORK GROUP REPORT

Dr. David Harrell, LESC staff, introduced members of the LESC Work Group on the Dual Credit Program seated in the audience: Dr. Tanya Garcia, P-20 Policy Analyst, Higher Education Department (HED); Dr. Lisa Grover, Director, New Mexico Coalition for Charter Schools; Ms. Jean A. Rightly, Superintendent of Education, Office of the Secretary, Children, Youth and Families Department; Dr. Peter Winograd, Director, Office of Education Accountability, Department of Finance and Administration; and Mr. Ty Trujillo, Executive Director, New Mexico Association of Community Colleges.

Dr. Harrell began the presentation with a brief background to dual credit. He summarized the 2007 legislation, endorsed by the LESC, which provided, for the first time, a statewide dual credit program authorized in statute and supported by the state; and he reviewed the LESC-endorsed amendments in 2008, which expanded the program to include state-supported schools, in addition to school districts and charter schools, and to allow dual credit courses to be taken during the summer term. Now, in school year 2008-2009, he stated, the dual credit program is being fully implemented.

One of the premises behind the legislation, Dr. Harrell said, is that each party in the process – the secondary school, the postsecondary school, the student, and the Legislature – should make an investment in the program. The investment, or responsibility, of the school district, charter school, or state-supported school is to provide the textbooks and course supplies. While this provision does create a fiscal impact on the secondary schools, the legislation itself and the rules promulgated by the Public Education Department (PED) and HED to implement the legislation provide certain mitigating factors. Even so, Dr. Harrell continued, there has been considerable concern over the fiscal impact on secondary schools and school districts. He explained that, to help offset this fiscal impact for the current school year, the 2008 Legislature increased the FY 09 appropriation to the Instructional Material Fund by \$1.3 million.

To find a more long-term solution, in February 2008, Dr. Harrell said, the LESC Chair asked the Director to convene a work group to address two specific issues related to textbooks and course supplies for dual credit courses: the need for “reliable and accurate data to indicate how much money is needed and a methodology for distributing those funds.” In addition to LESC staff members, the LESC Work Group on the Dual Credit Program comprised representatives of the Legislative Finance Committee, the Executive, PED, HED, school districts, charter schools, state-supported schools, secondary education associations, postsecondary education associations, and college bookstores. Through a series of meetings, supplemented by correspondence via email, the members of the work group researched and discussed the topics assigned and reached agreement on two recommendations: an appropriation amount and a method for distributing the funds.

To address the first charge to the work group – estimating the cost of textbooks and course supplies for dual credit courses – members gathered enrollment data compiled as recently as spring 2008 and textbook cost data that included expenses and experiences of school districts and charter schools, actual costs of textbooks used in dual credit courses at a number of postsecondary educational institutions in New Mexico, and textbook costs nationwide.

Based on these data, the work group reached consensus on the following points:

- an average per-course cost of textbooks and course supplies of \$82.00;
- a projected enrollment in dual credit courses of 6,000 students during school year 2008-2009; and
- an average of three dual credit courses per student.

Therefore, Dr. Harrell said, assuming 18,000 dual credit courses at a cost of \$82.00 each for books and supplies, the work group recommends an appropriation of approximately \$1.5 million for FY 10 (school year 2009-2010). There was further agreement, he said, that the appropriation request is likely to increase each year because of annual inflation (the work group members assumed a rate of 5.0 percent) and because of the anticipated increase in participation in the dual credit program. Therefore, he said, an annual recalculation of the appropriation amount will be necessary.

To address the second charge to the work group – a method for distributing the funds – Dr. Harrell said that the members of the work group agreed that a separate fund should be created strictly for textbooks and course supplies for students participating in the dual credit program and agreed on a distribution method somewhat like the process used in the *Instructional Material Law*. One difference, however, is that these funds would be distributed only to the districts and secondary schools participating in the Dual Credit Program, not to all the recipients of instructional material funds.

Dr. Harrell then reviewed the recommended statutory provisions for the allocation and distribution of funds for dual credit textbooks and course supplies. Among the highlights, these provisions require:

- a non-reverting fund to be created and to be administered by PED;
- PED to make an annual allocation, on or before April 1, to each school district, charter school, and state-supported school based on the number of dual credit courses completed by eligible students during the prior calendar year (spring, summer, and fall semesters); and
- PED to make an annual distribution, by July 31, of 100 percent of each school district's, charter school's, and state-supported school's allocation, to the extent that funds are available.

Finally, Dr. Harrell reviewed one of the attachments to the staff report, a timeline illustrating the allocation and distribution of funds (both actual and recommended) for dual credit courses from the summer term of school year 2007-2008 through the fall term of school year 2009-2010.

At the request of the Chair for comments from members of the work group and others in the audience, the Secretary of Higher Education, Dr. Reed Dasenbrock, said that, in his recent travels throughout the state, he has found increased enrollments at postsecondary institutions, in particular in the southern part of the state, due to dual credit. He has also heard the common concern among school districts about the cost of textbooks for dual credit courses, adding that HED supports the appropriation recommendation of the work group. Dr. Dasenbrock also noted the increased conversations between school districts and postsecondary institutions, particularly those focused on opportunities in career technical education courses offered through dual credit.

Dr. Garcia, Chair of the Dual Credit Council, concurred with Secretary Dasenbrock, adding that, in her position as P-20 Policy Analyst for HED, she feels just as responsible for the secondary side of the dual credit program and as she does the postsecondary side.

Speaking on behalf of Mr. Tom Sullivan, a member of the work group unable to attend the meeting, Mr. Bud Mulcock said that the New Mexico Coalition of School Administrators supports the recommendations of the work group.

Mr. Trujillo noted the concern of community college presidents about the cost of textbooks and the feedback they have received from the superintendents and school districts in their communities as this dual credit initiative has been unfolding. He added that the community college presidents completely support this initiative and will make it one of their priorities for the upcoming legislative session.

Committee Discussion:

In response to a committee member's question whether the recommendations presented were the consensus of the entire work group, Dr. Harrell said, "Yes."

In response to a committee member's question whether HED or PED, or both, had yet addressed an appeal filed by New Mexico Junior College and Hobbs Municipal Schools regarding credits for dual credit courses, Dr. Garcia said that New Mexico Junior College has submitted appeals with its five neighboring school districts within its service area – Eunice, Jal, Hobbs, Lovington, and Tatum. Those appeals, she said, are currently under review by the Dual Credit Council, which is in the process of arranging a conference call with the five district superintendents and the junior college to discuss their appeals before it issues a recommendation to the cabinet secretaries.

In response to a committee member's question whether the dual credit program will have an impact on the number of high school graduates taking remedial classes in college, Dr. Dasenbrock said that he does not envision the dual credit program affecting remedial education for three reasons: (1) remedial courses are not eligible for the dual credit program; (2) most dual credit students do not need remediation; and (3) many of the courses offered for dual credit are in career technical education, not core subjects. Dr. Dasenbrock added his hope that the dual credit program will encourage more students to stay in school. Also in response to this question, Dr. Garcia noted the potential of the Statewide Cyber Academy through the Innovative Digital Education and Learning-New Mexico (IDEAL-NM) as a mechanism for addressing the remediation issues of a student while still in high school, whether the student is in an urban or rural area.

A committee member asked Dr. Dasenbrock how many school districts have no relationship with an institution of higher learning in the community and how many school districts are unable to offer dual credit courses. In reply, Dr. Dasenbrock said that every one of the 89 public school districts is assigned to one of the two-year higher education institutions as its primary provider of services. While that relationship does not necessarily mean that dual credit courses are being offered, it does mean that each district has a higher education resource.

In response to a committee member's question whether a high school student taking dual credit courses could graduate early and complete a full semester of college work, Dr. Garcia said that dual credit is not intended to supplant the high school curriculum, only to offer an advanced curricular option for high school students. In fact, to be eligible for the dual credit program a

student must be enrolled in the secondary school at least half-time. Secretary Dasenbrock concurred, adding that, while graduating early and completing a semester of college work may be possible, it is not the intent of the program.

Whether New Mexico's high school graduates are prepared for college became the next topic of discussion. One committee member suggested that the lottery scholarship creates the impression that anyone can go to college but that students are not being counseled about what is expected of them once they arrive there. Another committee member noted the need for remediation and suggested the possibility of a public awareness campaign to encourage students to pursue a rigorous curriculum in high school. Borrowing a phrase from *The Ready for College* report, Dr. Winograd said that New Mexico's high school graduates "need more college knowledge" to take advantage of the financial opportunity the state has given to them. Secretary Dasenbrock stated his belief that the high school redesign will have a positive effect; and he described the paradoxical situation in New Mexico: the state ranks high nationally in college attendance but low in degree completion. One of the factors, Secretary Dasenbrock explained, is financial: according to national data, students in the upper quintile economically graduate at a rate of 76 percent, whereas those in the bottom quintile graduate at a rate of 9.0 percent. Finally, Dr. Harrell noted that one of the benefits of dual credit programs in general has been to increase college knowledge among high school students and that the dual credit program in New Mexico includes a heavy counseling component.

There being no further committee discussion, Chairman Miera, with the consensus of the committee, recessed the meeting at 4:20 p.m.

**MINUTES
LESC MEETING
Tuesday, September 9, 2008**

Representative Rick Miera, Chair, called the Legislative Education Study Committee (LESC) meeting to order on Tuesday, September 9, 2008, at 9:10 a.m., Chama Elementary/Middle School Gymnasium, Chama, New Mexico.

The following LESC members were present:

Representatives Rick Miera, Chair, Roberto "Bobby" J. Gonzales, and Jimmie C. Hall; and Senators Cynthia Nava, Vice Chair, Vernon D. Asbill, Mary Jane M. Garcia, and Gay G. Kernan.

The following LESC advisory members were present:

Representative Andrew J. Barreras and Senator Lynda M. Lovejoy.

FY 09 PUBLIC SCHOOL BUDGETS

Chairman Miera recognized Mr. Peter van Moorsel, LESC staff, and Mr. Steve Burrell, Director, School Budget and Finance Analysis Bureau, Public Education Department (PED) for a presentation on public school budgets for FY 09.

Mr. van Moorsel began by discussing state funding, explaining that for FY 09 the Legislature appropriated approximately \$2.6 billion in Public School Support and recurring related appropriations, an increase of \$121.2 million, or 4.9 percent, over the FY 08 appropriations. He added that the *General Appropriation Act of 2008* includes approximately \$2.38 billion for the State Equalization Guarantee. Considering about \$56.2 million in credits, the appropriation for Program Cost is approximately \$2.44 billion, and it includes:

- approximately \$10.5 million to fund enrollment growth;
- almost \$3.5 million to fund increases in fixed costs;
- approximately \$19.3 million to fund insurance costs;
- approximately \$39.2 million to fund an average 2.0 percent salary increase for all teachers, other instructional staff, and other licensed and unlicensed staff;
- approximately \$3.3 million to fund an additional 1.0 percent salary increase for educational assistants, secretarial, clerical, and technical assistants; business office support staff; maintenance, custodial, warehouse, and delivery employees; and food service employees;
- approximately \$12.3 million to fund a 0.75 percent increase in the FY 09 employer's contribution to the Educational Retirement Fund;
- \$14.0 million to increase the school year by one full instructional day; and
- \$8.0 million to fund elementary physical education programs.

Mr. van Moorsel added that a \$4.0 million appropriation to increase the employer's contribution to the Retiree Health Care Fund was contingent upon the passage of authorizing legislation; however, it did not pass, and the appropriation failed the contingency.

Mr. van Moorsel reported that language in the *General Appropriation Act of 2008* requires that, before the Secretary of Education approves FY 09 budgets, the Secretary must verify:

- that school districts and charter schools have provided the average 2.0 percent salary increase before implementing the additional average 1.0 percent salary increase; and
- that school districts and charter schools have provided the additional day above school year 2007-2008 — school districts may not substitute an equivalent number of minutes or hours.

Mr. van Moorsel stated that in April the Secretary of Public Education set the preliminary unit value for school district and charter school FY 09 operating budgets at \$3,892.47, based on a statewide projected total of 626,780 units, an increase of \$218.21, or 5.9 percent, over the FY 08 final unit value of \$3,674.26.

Mr. van Moorsel discussed approximately \$167.4 million in other operational funding in categorical public school support, including:

- approximately \$111.0 million for school transportation. Mr. van Moorsel also reported that during the 2008 Special Session, the Legislature appropriated an additional \$4.0 million for fuel for school transportation;
- a total of \$7.0 million dollars to provide supplemental support for school districts; and
- \$39.0 million to the Instructional Material Fund to fund the FY 09 career tech, adult basic education, and driver education adoption, including \$1.3 million to offset textbook and course supply costs for the dual credit program for school year 2008-2009.

Mr. van Moorsel stated that the *General Appropriation Act of 2008* also includes approximately \$54.8 million in recurring related appropriations, and approximately \$13.0 million in nonrecurring appropriations to PED. In addition, he stated that a separate appropriation act, or "HB 2 Junior," contains an additional \$2.9 million to PED and a little more than \$1.7 million to other state agencies for various education-related programs.

Mr. van Moorsel discussed New Mexico's federal formula-allocated funds for elementary and secondary programs for federal FY 2008. These funds, which are allocated to school districts for school year 2008-2009, are estimated to increase by approximately \$17.9 million between federal fiscal years 2007 and 2008, largely due to an estimated increase of approximately \$17.1 million in funding for programs classified by the US Department of Education (USDE) as components of the federal *No Child Left Behind Act of 2001* (NCLB). Mr. van Moorsel reported that, as of September 5, PED had allocated a total of approximately \$242.0 million in federal funds and retained approximately \$7.4 million in administrative funds.

Referring the committee to the PED handout, Mr. Burrell reported that in FY 09 districts budgeted approximately \$4.9 billion, including approximately \$2.6 billion in state funds and over \$426.0 million in federal funds. He added that, of the almost \$2.6 billion budgeted for operational purposes, approximately \$1.6 billion, or 60.4 percent, was budgeted for instruction, and that \$1.0 billion, or 38.8 percent, was budgeted for support services.

Discussing the additional instructional day funded for school year 2008-2009, Mr. Burrell presented a table comparing the number of school districts' and charter schools' instructional days for school year 2007-2008 and school year 2008-2009. He indicated that, except for the districts that received the approval of the Secretary of Public Education, as well as new charter schools that did not have an instructional calendar in the previous year, the districts and charter schools did show the required increase in the number of instructional days.

Mr. Burrell next discussed districts' and charter schools' 2008-2009 budgeted program costs, which totaled over \$2.4 billion statewide. He compared 2007-2008 and 2008-2009 budgeted membership and grand total units, reporting a decrease in membership of 1,285.75, and a decrease in grand total units of over 9,400. Based on 2007-2008 40th day and 2008-2009 projected membership data, Mr. Burrell reported a total of 2,172.35 budgeted growth units statewide.

Mr. Burrell's presentation also included tables that showed, by school district and charter school:

- the provision of the salary increases funded and required in the *General Appropriation Act of 2008*;
- operational and budgeted cash balances and budgeted cash balance credit;
- the number and percentage of elementary students that receive state-funded physical education programs; and
- budgeted amounts of emergency supplemental funding (\$7.0 million in 20 districts).

Committee Discussion:

In response to a committee member's question regarding the total amount of federal education-related funding to New Mexico, Mr. Don Moya, Deputy Secretary for Finance and Operations, PED, referred the committee to the table presented by Mr. Burrell that showed budgeted federal revenue to be \$426.6 million, which Mr. Moya explained included approximately \$370.0 million in flow-through funding, approximately \$11.0 million dollars that flows from USDE directly to school districts, and federal funding that was carried over from the previous fiscal year.

In response to a committee member's question regarding the percentage of educational funding that is committed to instruction, Mr. Moya responded that supporters of the "65 percent solution" promote committing at least 65 percent of education funding to instruction, with the belief that this percentage will produce gains in student achievement. Mr. Moya stated, however, that in many small school districts the 65 percent solution is not practical because the salary and benefits of the superintendent and school administrators represent a large proportion of the district's total funding. Mr. Burrell added that the National Center for Education Statistics did not find a significant benefit from implementing the 65 percent solution.

In response to a committee member's question regarding the progress made in implementing elementary physical education programs statewide, together with the question when the implementation would be complete, Mr. Derek Irion, Physical Education Consultant, PED, stated that approximately 37 percent of elementary school students were receiving state-funded physical education programs.

In response to a committee member's question regarding the number of schools that offer physical education programs that are not funded by the state, Mr. Irion stated that some schools do offer elementary physical education without state funding; however, he was unsure of the exact number.

In response to a committee member's question why some districts report fewer than the required 180 instructional days, Mr. Burrell stated that current law allows the secretary of public education to approve variable academic calendars.

In response to a committee member's question why some charter schools require more professional development days than public school districts, Dr. Lisa Grover, Executive Director, New Mexico Coalition of Charter Schools, stated that several charter schools, such as Amy Biehl Charter High, are year-round schools that meet or exceed the minimum number of instructional days, and that their calendars may require more professional development days.

In response to a committee member's question how many new charters schools began operating in school year 2008-2009, Dr. Grover stated that four charter schools were approved last year and began operating in fall 2008. She added that an additional 11 charter schools had submitted applications to the Public Education Commission for approval in FY 10.

In response to a committee member's question whether charter schools are outperforming school districts in terms of student achievement, Dr. Grover stated that, according to a report created by the University of New Mexico, charter schools that have been opened five years or longer tend to outperform traditional schools. She added that the report was available at www.newmexicocoalitionforcharterschools.org.

In response to this same question, Mr. Moya cautioned that student achievement may not be the only indicator of the effectiveness of charter schools, and he emphasized the importance of considering the different populations served by charter schools.

EXECUTIVE SESSION

On a motion by Senator Nava, seconded by Senator Garcia, the committee unanimously approved going into Executive Session to consider a personnel matter. The LESC went into Executive Session at 10:57 a.m.

The LESC reconvened in Open Session at 11:05 a.m.

On a motion by Senator Garcia, seconded by Representative Gonzales, the committee unanimously approved the salary recommendation of the Chair and Vice Chair for the Director effective October 1, 2008, with a performance evaluation prior to the LESC meeting of the 2009 interim. Voting members present were: Chairman Miera, Vice Chair Nava, Representative Hall, Representative Gonzales, Senator Garcia, and Senator Kernan.

NEW MEXICO PUBLIC SCHOOL INSURANCE AUTHORITY (NMPSIA): PROJECTED FY 10 INSURANCE REQUEST

Ms. Frances Maestas, LESC staff, introduced Mr. Sammy Quintana, Executive Director; Ms. Christy Edwards, Deputy Director; and Mr. Robert Romero, Comptroller, New Mexico Public School Insurance Authority (NMPSIA), to discuss the projected increases in NMPSIA's FY 10 appropriation request.

Ms. Maestas explained that each year, the Legislature appropriates dollars to the State Equalization Guarantee (SEG) Distribution (Public School Funding Formula) to provide for projected increases in the employer's group health and risk insurance contribution rates of the state's charter schools and member school districts participating in NMPSIA. The dollars appropriated, she reported, are based on an appropriation request by NMPSIA based on projected contribution rates considered to be adequate to provide for anticipated insurance claims, administrative costs, and reserves in the next fiscal year. These increases are often offset by NMPSIA board action that allows the agencies to use insurance reserve fund balances to reduce the projected increases for both the employer and the employee.

For FY 10, Ms. Edwards noted, an appropriation of approximately \$5.4 million would be required to provide for the employer's share of increased insurance premiums for its members. The benefits portion of the FY 10 budget request, she indicated, considers a 10 percent increase in medical insurance premiums for NMPSIA that would go into effect for public school employees October 1, 2009; a 6.0 percent increase in dental insurance premiums; and no increases for vision, life, and disability insurance.

Ms. Edwards emphasized that the benefits request for FY 10 does not consider the use of fund balance to offset the increases as NMPSIA has often done in the past. She reported that the June 30, 2008 un-audited fund balance of approximately \$16.4 million is projected to be "zero" by June 30, 2009. Historically, she noted, the agency's medical claims trend has been below the national average; however, an analysis of these claims reveals a substantial increase in recent months in both the utilization and cost of medical services, including four catastrophic claims of over \$550,000 each.

With regard to the risk program, Mr. Quintana reported that the FY 10 request reflects a “zero” percent increase in property, liability, and worker’s compensation increase premiums. He emphasized that, for the first time in many years, NMPSIA is able to report a positive (un-audited) fund balance of approximately \$5.2 million as of June 30, 2008 and a projected fund balance of over \$5.9 million for June 30, 2009.

Mr. Quintana reported that the five districts with the highest liability losses continue to be Las Cruces, Española, Ruidoso, Hobbs, and Santa Fe. Mr. Quintana noted that charter school liability claims usually pertain to employment issues. He noted that while the charter school claims are small, it appears that charter school administrators often do not follow proper procedure for dismissal of employees.

Committee Discussion:

In response to a committee member’s question whether Albuquerque Public Schools (APS) is insured by NMPSIA, Mr. Quintana reported that current law exempts APS from NMPSIA health and risk insurance coverage. NMPSIA, he added, currently provides health and risk insurance coverage for the state’s remaining 88 public school districts and its 67 charter schools.

In response to a committee member’s question relating to the projected FY 10 insurance increases for APS, Ms. Maestas stated that APS was currently working with its actuary to provide information on the district’s FY 10 increases, which will become effective on December 1, 2010. Ms. Maestas reported that APS staff had indicated that APS is considering changing the effective date of its plan to July 1. In addition, she said, APS staff needed to discuss the use of the insurance reserve fund balance to help offset any increases.

In response to a committee member’s question why the charter schools in APS are insured by NMPSIA rather than APS, Mr. Quintana stated that current law requires all charter schools to be insured by NMPSIA.

In response to a committee member’s question whether employees of regional education cooperatives (RECs) are insured by NMPSIA, Ms. Edwards reported that RECs are able to participate in NMPSIA’s pool or in the state of New Mexico’s Risk Management Division’s pool. She noted that a few of the RECs are currently in NMPSIA’s pool.

In response to a committee member’s question about the APS fund balance for insurance, Ms. Maestas indicated that according to APS staff, the un-audited June 30, 2008 fund balance was approximately \$37.6 million. This figure included \$17.4 million from the health benefits account; \$9.6 million from worker’s compensation account; \$7.4 million from property and liability account; and approximately \$3.2 million from the dental insurance account.

COLLEGE AND UNIVERSITY PRESENTATIONS: P-20 PARTNERSHIPS WITH SCHOOL DISTRICTS

Dr. Rindone introduced a panel of presenters from four northern New Mexico colleges and universities who were asked to describe their P-20 partnerships with local public school districts. The panelists were Dr. Vidal Martinez, Vice President for Instruction and Student Services, Luna Community College; Dr. James A. Fries, President, New Mexico Highlands University; Dr. José D. Griego, President, Northern New Mexico College; and Dr. Catherine M. O’Neill, Executive Director, University of New Mexico (UNM)-Taos Branch.

To determine if and to what extent postsecondary institutions and local school districts communicate and coordinate their efforts to prepare students for college-level study and the workforce, Dr. Rindone stated that the committee included in its 2008 Interim Workplan a series of hearings with representatives of two- and four-year public postsecondary institutions in each region of the state.

Panelists described their initiatives involving partnerships with public schools and expressed these general goals:

- to improve education at all levels in the state;
- to provide opportunities for students in high school to increase learning and to obtain a head start on college education and/or a career path;
- to offer seamless transitions from secondary to postsecondary studies;
- to increase college student recruitment, retention, and graduation rates; and
- to expand diversity of enrollment and educational success of underrepresented minority groups at their institutions.

Panelists from each of the postsecondary institutions described the dual credit opportunities as focal to their P-20 efforts:

| Dual Credit Program | Description | # of Partners | Enrollment |
|------------------------------------|--|--|-----------------------------|
| Luna Community College (LCC) | Academic and career-technical courses | 11 public high schools and one private academy | Spring 2008 662 students |
| NM Highlands University (NMHU) | Academic college-level courses; 103 concurrent enrollment students in the Spring 2008; of these, 92 were dual credit students; they earned a total of 336 university credits | 3 school districts and REC #4 | Spring 2008 92 students |
| Northern New Mexico College (NNMC) | REC #2 and NNMC have identified and are offering 529 courses that can be taken for dual credit | 11 school districts | 2006-2007 212 students |
| UNM-Taos | High quality college-level credit in academic or career-technical courses | 9 school districts | 2007-2008 250 students |

In addition to dual credit programs, panelists outlined other initiatives aimed at secondary student college preparation and career success:

- The NMHU, NNMC, and UNM-Taos collaborative College and Career Prep Program provides career and academic advising, assistance with college admission applications, financial aid information, and on-site ACT/Compass placement testing for high school students;
- NMHU and UNM-Taos offer GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) supported by a six-year federally funded partnership grant that serves a cohort of 5,500 students statewide; 700 students are served in three northern

school districts – Española, Pojoaque, and Santa Fe – from the time they entered seventh grade until they graduate in 2011 (NMHU); the first Taos 2008 Summer Camp Gear Up program was hosted this year serving 15 students (UNM-Taos);

- LCC offers a general education certificate program made up of core academic courses that, upon completion, enables students to graduate from high school with a community college degree;
- NMHU administers ENLACE (Engaging Latino Communities for Education) across northern New Mexico; a multi-level educational program, ENLACE focuses on increasing graduation rates among students in secondary schools;
- LCC has a waiver program in which high school students are allowed to take up to two college courses with free tuition and fees;
- UNM-Taos offers concurrent credit for all area high school students who may pay standard tuition to take a college course at the UNM-Taos campus and receive college level credit;
- NMHU administers a federally funded Upward Bound college preparation program (150 students fall and spring), a New Mexico Math, Engineering, Science Achievement (M.E.S.A.) project, Advanced Placement (AP), bilingual education program, a statewide science fair, the Ben Lujan Institute, Visiting Scientist, and other programs;
- Career-technical and workforce education programs open to secondary students are supported mainly by Perkins federal funding; UNM-Taos offers 18 career technical education (CTE) certificate programs and described a new nurse education program and workforce development programs in partnership with the Chamber of Commerce; NNMC served 1,550 secondary CTE students last year;
- Distance learning initiatives are provided through IDEAL-NM at NMHU and with Qwest assistance via a broadband fiber network at UNM-Taos; and
- NNMC offers other P-20 initiatives supported by state and federal grants, including Northern Pueblo Institutes, Northern New Mexico Math and Science Academy, and science, technology, engineering and math (STEM) programs involving high school and college students.

Teacher preparation was a major emphasis in programs outlined by NMHU and NNMC. NNMC has a major focus on preparing Native American teachers. NMHU offers undergraduate majors in early childhood education, multicultural education, elementary education, special education, bilingual education, secondary education, as well as elementary and secondary teacher alternative licensure programs. NMHU graduate programs include counseling (emphasis in school counseling and professional counseling), rehabilitation counseling, educational leadership, curriculum, and instruction.

Challenges described by the postsecondary panelists included:

- poor academic preparation of incoming students, necessitating remedial courses;
- accommodating a growing number of freshmen students;
- inadequate facilities, textbooks, transportation, and equipment;
- meeting student advisement needs;
- coordinating with high school schedules and the different preparation and qualification requirements for teachers in public education;

- limitation of support to dual credit English, math and general education courses instead of the previously recognized concurrent enrollment courses (NNMC had over 230 average students enrolled in concurrent courses in three years and only 88 students qualified for dual credit this year); and
- many families' lack of understanding of the importance of education.

Panelists reported the following evaluation methods: diagnostic programs for incoming freshmen, student evaluations, mandatory dual credit orientations for students, early alert surveys with mandatory tutoring/mentoring of students having difficulty in the first three weeks of a semester, student portfolios, graduation rates, and successful employment.

Committee Discussion:

In response to a committee member's question regarding the reason for increases in freshman enrollment, Mr. Juan Montez of UNM-Taos said that increases are due to high school students taking college classes, also to community college affordability, and new programs. Dr. Fries of NMHU said there are several possible factors, including the tendency of higher education enrollment to increase in tight economic times; the fact that the programs described at this meeting have increased student familiarity with college opportunity; and the fact that, at NMHU, new coaches have been very effective at recruiting student athletes. Dr. Griego said that the enrollment growth at NNMC, which occurred two out of the last three academic years, was primarily at the baccalaureate level where north-central New Mexico has had a previously unmet need that spurred the college's request to the Legislature to become a four-year college. At UNM, Dr. O'Neill said that operating in seven different locations, out of new facilities supported by the Legislature to house additional programs, was a factor in increasing enrollment.

In response to a committee member's question where clinical space will be located for the UNM-Taos nursing program, Dr. O'Neill said Holy Cross Hospital in Taos is collaborating with UNM to provide some of the clinical space as well as some of the training facilities.

A committee member challenged postsecondary institutions to create partnerships with businesses developing solar, wind, and other renewable energies, and to educate the workforce for these industries. A member also challenged the institutions to offer expanded transportation to higher education within the region.

In response to a committee member's question regarding the funding for the college and career prep program, Mr. Montez stated that the funding course is Title V of the *Higher Education Act* for Hispanic Serving Institutes.

In response to a committee member's question when high school students in a dual credit program decide to enroll in either a community college or a university, Dr. Fries said that students make that decision when they finish their high school education, and that what career they wish to pursue is a big factor in the institution that they choose.

In response to a committee member's question whether there is recruitment by postsecondary institutions, Dr. Griego described educational opportunity centers around the state; he said these offices provide counseling to high school students on financial aid, admission processes, and other matters. He also said that high school students who begin dual credit at a college tend to remain at that institution after graduation.

In response to a committee member's question how many entering freshmen need remedial classes at each institution, Dr. Martinez said that at LCC approximately 80 percent will take one or two remedial courses, including developmental reading, developmental math, and developmental English. Dr. Fries said that last year at NMHU, 60 percent of the entering freshmen took one or two developmental courses. This year, out of 460 students, approximately 130 are on the Contract for Success which means they are taking a developmental reading and math course. Dr. Fries also cited a recent Higher Education Department (HED) study showing that 40 to 45 percent of students at that time required remediation. Dr. Griego said this year 77 percent of the entering NNMC freshmen are taking remedial reading and/or math. Dr. O'Neill said that at UNM-Taos between 60 and 65 percent of freshmen must take remedial courses.

In response to a committee member's question why the percentage of students taking remedial courses is so high, Dr. Martinez of LCC said one reason could be that a significant number of students basically have poor test-taking skills. Dr. Fries said he suspects there are many factors; he also emphasized the importance of the early grades, noting that any student who is not at grade level in math and reading in grade 3 will have difficulty later. Another factor in the need for later remediation, Dr. Fries said, is the level of family involvement in a student's education.

In response to a committee member's question whether the COMPASS placement tests align with PED standards, Dr. Peter Winograd of the Office of Education Accountability said yes, there is good alignment. He alluded to a study showing that as students reach proficiency their need for remediation goes down. However, he added, many students are not reaching proficiency; therefore, they can graduate but they are not college-ready.

In response to a committee member's question whether postsecondary institutions would be willing to report to high schools on the success of their incoming freshmen, all the panelists replied in the affirmative.

In response to a committee member's question regarding the requirements for admission into the college of education, Dr. Griego listed these requirements at NNMC: 64 credit hours; a 2.5 GPA in the junior year; passing score on the New Mexico Teacher Assessment of Basic Skills; completion of a dispositions checklist; and a successful interview prior to student teaching. Dr. Fries stated that the requirements are similar at Highlands. He further indicated that weak writing skills are a problem for education students and that they do not demonstrate enough higher level thinking skills. According to Dr. Fries, too much time is spent teaching test-taking and not enough time increasing students' critical thinking skills.

Committee members commended the postsecondary institutions' partnerships with public education and the programs they provide that promote learning as well as workforce education opportunities.

MENTORSHIP MODEL FOR BEGINNING HIGH SCHOOL TEACHERS

Ms. Eilani Gerstner, LESC staff, introduced Dr. Mary Rose CdeBaca, Assistant Secretary, Educator Quality Division, Public Education Department (PED), to present the recommendations for a mentorship model for beginning high school teachers to the committee. Ms. Gerstner said that the staff report would focus on issues that arose during the work group discussions on the model, the implementation of the mentorship law, and issues that were raised in the December 2007 report to the LESC on beginning teacher mentorship programs.

Ms. Gerstner began by reviewing provisions in the 2007 law that require PED to work with teacher preparation programs, colleges of arts and sciences, and high schools to create a model for mentoring graduates from New Mexico teacher preparation programs who obtain a teaching position in New Mexico public high schools. The law required the group to present recommendations to the LESC by November 1, 2007.

Although a task force was convened in 2007 to address the requirement, Ms. Gerstner said, the task force did not include representation from colleges of arts and sciences. In the December 2007 report to the LESC the task force recommended continuing the work on the model, including increasing representation from colleges of arts and sciences and further studying current mentoring programs in New Mexico, partially through a survey of new teachers and mentor teachers. The LESC agreed and a final report was scheduled for the 2008 interim. Ms. Gerstner said that, in 2008, the LESC, PED, the Higher Education Department (HED), and the Office of Education Accountability (OEA) formed the 2008 LESC Mentorship Model Work Group with increased participation from colleges of arts and sciences, school districts, charter schools, and regional education cooperatives.

Next, Ms. Gerstner provided an overview of the results of the surveys administered by PED to new teachers and mentor teachers in 2008. She said that the results showed that both teachers holding a Level 1 license as defined in the three-tiered licensure system and teachers holding an Internship license as defined in PED rule receive mentorship services. The results also showed that both Level 2 and Level 3 teachers serve as mentors, and that, in some cases, Level 1 teachers and other individuals may be providing mentoring services.

Ms. Gerstner summarized the recommendations of the work group regarding possible changes in law:

- adding a provision that, in addition to Level 3 teachers, Level 2 teachers may also provide mentoring services;
- extending mentorship services to teachers who hold a PED Internship license (the law currently requires mentorship services for Level 1 teachers specifically); and
- requiring PED to collect in the Student Teacher Accountability Reporting System (STARS) the name of the institution where teachers completed their teacher preparation programs.

According to PED rule, Ms. Gerstner continued, the Internship license is “a three-year non-renewable certificate or license issued by the PED authorizing a candidate to teach ... [or] to work as an administrator” in cases in which the candidate has not yet met the requirements for an alternative Level 1 or alternative Level 3-B license but is participating in an alternative route to licensure. The time spent as an intern teacher does not count toward licensure advancement to Level 2 or Level 3.

Among other requirements to qualify for an Internship license, Ms. Gerstner said, an individual must have at least a baccalaureate degree and 30 semester hours in a field that corresponds to the candidate’s instructional area. Intern teachers are also required to assume full teaching duties as the teacher of record for a period of at least one full school year.

Ms. Gerstner said that, in order to distinguish the regulatory Internship license from the statutory level 1, 2, and 3 licenses, PED codes the Internship license as a “Level 0” in the licensure records at the department. She said that, while Internship teachers represent only 4.0 percent of all currently licensed teachers, they may represent nearly 20 percent of all new teachers.

Ms. Gerstner said that the Internship license may raise several issues:

- Given the “teacher of record” requirement noted above, it would seem that a teacher who holds an Internship license as a route to an alternative Level 1 license is tantamount to a fully certified classroom teacher, despite lacking the minimum credential in the statutory three-tiered licensure system.
- A related question is whether the Internship license satisfies the requirements for a “highly qualified” teacher in the federal *No Child Left Behind Act of 2001* (NCLB). According to NCLB, teachers are considered “highly qualified” only if they possess “full State certification” or pass the state’s teacher exam and have not had licensure requirements waived “on an emergency, temporary, or provisional basis.” Because the Internship license is not recognized in the state’s three-tiered licensure and salary system, it might be argued that it does not constitute full state certification.
- The use of the three-year non-renewable Internship license as a route to the five-year non-renewable alternative Level 1 license effectively extends the probationary period for new teachers from five years to as many as eight.
- The *School Personnel Act* allows PED to issue certificates of teaching waiver or assignment waiver under certain limited conditions but prohibits a teacher holding a teaching or assignment waiver from being “assigned to a school that has not made adequate yearly progress for two consecutive years.” In the absence of a similar prohibition in the PED rule on the Internship license, it would seem possible that a teacher with an Internship license may be assigned to a school in need of improvement.

Next, Ms. Gerstner provided an overview of funding for the mentorship program. She said that since 2000, the Legislature has appropriated approximately \$10.1 million for beginning teacher mentorship, including \$2.0 million each for FY 08 and FY 09. She pointed out several issues that arose with regard to the mentorship funding:

- The mentorship law requires mentorship for “all level one teachers,” and the *School Personnel Act* requires Level 1 teachers to “undergo a formal mentorship program and an annual intensive performance evaluation by a school administrator for at least three full school years before applying for a Level 2 license.” PED reports that the department distributes funding to districts for all first-year teachers and only for second- and third-year teachers if more mentoring is required, and that districts may fund second and third years of mentoring for all teachers if they wish.
- Although the mentorship law requires mentorship for all Level 1 teachers specifically, PED reports that mentorship funds are distributed to districts for both Internship and Level 1 teachers.

- Both PED and school districts report that the requirement to distribute funds to districts based on the number of beginning teachers on the 40th day of the current year, which usually occurs in October, means that PED is unable to distribute the funds until late in the school year.

Ms. Gerstner said that PED had taken steps to address several of the issues raised in the 2007 interim report to the LESC on New Mexico's teacher mentorship program, including requiring school districts to update their mentorship program plans and adding a field in STARS to track which teachers receive mentoring.

Finally, Ms. Gerstner concluded with some policy options that the committee may wish to consider:

- Amend the mentorship provisions in law to:
 - specify the required number of years that a teacher must participate in a mentorship program;
 - require mentorship of middle school teachers, teachers who completed preparation programs in other states, and teachers who hold internship licenses;
 - include fall semester graduates in the required annual reports;
 - require PED to track in STARS the institutions where teachers completed their teacher preparation programs; and
 - specify which teachers or other individuals may serve as mentors, with particular attention to endorsement areas and conditions under which Level 2 teachers may serve as mentors.
- Request that OEA study the requirements and provisions of the Internship license, considering these questions in particular: whether a teacher with an Internship license is "highly qualified" in terms of NCLB; whether a teacher with an Internship license should serve as the "teacher of record"; whether restrictions like those applied to waivers should be applied to the Internship license; and whether the Internship license should be incorporated into the three-tiered licensure, salary, and evaluation system. (This request should include a report to the LESC with findings and recommendations, if any.)

Next, Dr. CdeBaca presented the recommendations of the work group for a mentorship model. She said the group included representation from PED, HED, OEA, LESC, school districts, and two- and four-year institutions, including representation from colleges of arts and sciences. She said the group proposed implementing the model in two phases: Phase I activities could be implemented immediately, she said, at no cost; and Phase II activities would take more time and funding to implement.

Phase I of the mentorship model, Dr. CdeBaca said, includes using existing resources to provide online support to new teachers, developing relationships to establish regional support in Phase II, and annual reporting. She said existing online resources that could be further developed to support new teachers include the Innovative Digital Education and Learning-New Mexico (IDEAL-NM) and the Teach New Mexico website (www.teachnm.org). Regarding annual reporting, Dr. CdeBaca said that PED can currently generate reports on the distribution of mentorship funding to districts.

Phase II, Dr. CdeBaca continued, will include expanded online resources such as video modules developed in-state; expanded regional support for new teachers from institutions of higher education, including content coaching from arts and sciences faculty; expanded annual reporting methods; and a three-year teacher induction program for all new teachers to align with the requirements for advancement from Level 1 to Level 2 in the three-tiered licensure system. She said that regional support would also include support from institutions of higher education in the form of annual conferences, monthly meetings, or summer content workshops for new teachers. She said the department does not collect the name of the institution where teachers completed their teacher preparation programs in STARS; rather, PED collects the institution where teachers completed their highest degree. Developing such tracking procedures would be part of Phase II.

Committee Discussion:

At the request of the Chair, Dr. Jerry Harmon, Dean, College of Education and Technology at Eastern New Mexico University, and Dr. Peter Winograd, Director, OEA, joined the discussion.

In response to a committee member's questions and concerns regarding the Internship, or Level 0, license, Dr. CdeBaca explained that although "Level 0" is used in STARS to denote an Internship license for tracking purposes, the Internship is actually a Level 1-I license. Also, she said, teachers on Internship licenses are not interning, but have at least a bachelor's degree and 30 credit hours and are completing a portfolio process for alternative licensure.

Several committee members raised concerns regarding the use of mentorship funding for mentoring Internship licensed teachers since the law requires mentorship for Level 1 teachers specifically as a condition to advance to Level 2.

In response to a question from a committee member regarding who should fund the mentorship services for Internship licensed teachers, the state or the alternative teacher licensure programs the Internship teachers are enrolled in, Dr. Harmon noted that the law requires that alternatively licensed teachers not be discriminated against and shall receive the same mentorship services as Level 1 teachers. Dr. Rindone pointed out that this requirement in law refers to individuals who are already Level 1 licensed teachers who have received the license through an alternative route to licensure.

In response to a question regarding the relationship of the Internship licenses to teaching waivers no longer allowed under NCLB, Dr. Winograd indicated that federal guidelines allow individuals to teach while enrolled in an alternative licensure program and still be considered highly qualified.

In response to a committee member's question of whether Internship licensed teachers have to participate in a mentorship program again once they obtain Level 1 licensure, Dr. CdeBaca said that they do not, explaining that the time spent in a mentorship program as an Internship teacher counts as the mentoring required to advance from Level 1 to Level 2.

In response to a committee member's concern that Level 2 teachers often serve as mentors, even though the law specifies that Level 3 teachers assume such responsibilities, Dr. Harmon said that in small districts there is not always a Level 3 teacher available to be a mentor.

A committee member voiced concern that the Internship licensed teachers going through an alternative route to licensure seem to be referred to in the same terms as fully licensed Level 1 teachers.

Chairman Miera requested that PED move ahead with Phase I of the proposed mentorship model and requested that OEA work with LESC and PED to investigate (1) the issues surrounding the Internship license, including whether Internship teachers should be receiving mentorship services funded by the state or by the teacher preparation programs, and (2) the conditions under which Level 2 teachers serve as mentors.

There being no further committee discussion, Chairman Miera, with the consensus of the committee, recessed the meeting at 4:41 p.m.

**MINUTES
LESC MEETING
Wednesday, September 10, 2008**

Representative Rick Miera, Chair, called the Legislative Education Study Committee (LESC) meeting to order on Wednesday, September 10, 2008 at 9:05 a.m., Chama Elementary/Middle School Gymnasium, Chama, New Mexico.

The following LESC members were present:

Representatives Rick Miera, Chair, and Jimmie C. Hall; and Senators Vernon D. Asbill, Mary Jane M. Garcia, and Gay G. Kernan.

The following LESC advisory members were present:

Representatives Andrew J. Barreras and Ray Begaye.

Also in attendance was Representative Debbie A. Rodella.

STUDY REGIONAL EDUCATION COOPERATIVES, SM 41: FINAL REPORT

Dr. Forrer, LESC staff, introduced Ms. Belinda Morris, Director, Lea Regional Education Cooperative #7, and Mr. Stephen Aguirre, Director, High Plains Regional Education Cooperative #3, to present a report to the committee regarding the work of the LESC SM 41 Regional Education Cooperatives Work Group. Dr. Forrer added that representatives from all nine of the regional education cooperatives (RECs) in New Mexico were available to answer questions.

To begin, Dr. Forrer directed the committee's attention to the staff report behind tab 8 in their notebooks and to a handout entitled *Regional Education Cooperatives Continuum of Services, Budget, and Accountability*. She explained that the handout included the budgets for all of the RECs.

Dr. Forrer said that, during the 2008 legislative session, the Senate passed Senate Memorial (SM) 41, *Study Regional Education Cooperatives*, which requests the LESC, the Public Education Department (PED), and the state's nine RECs to study the roles, responsibilities, and financial requirements of the RECs and to report their findings and recommendations, including recommendations for statutory changes and funding, if necessary, to the LESC. The memorial, she stated, had been introduced in response to several fiscal and communication issues that had arisen between PED and the RECs over the last few years, particularly since the reauthorization of the federal *Individuals with Disabilities Education Improvement Act of 2004* (IDEA). These issues included (1) late reimbursements from PED to the RECs for services performed, leading to cash-flow problems for the RECs at the beginning of the fiscal year; (2) loss of federal infrastructure (operational) dollars for RECs due to changes in the allowable uses for state-level IDEA funds; and (3) some misunderstanding between PED and the RECs regarding the RECs ability to apply for and receive federal grants on behalf of their members.

Noting that New Mexico's RECs are categorized as educational service agencies (ESAs), Dr. Forrer added that, to be eligible to apply for and receive federal grants, an ESA must meet the definition in federal law of an eligible entity. Many grants designed to support or enhance K-12 education are available only to local education agencies (LEAs). Although most often the term "LEA" is used to refer to a school district, it may also be used to refer to other types of legally constituted state authorities that either have some type of control over, or provide services to, public schools.

Dr. Forrer reported that the LESC SM 41 REC Work Group had met throughout the spring and summer of the 2008 interim and had reached consensus on the following recommendations. She also noted that implementation of the first group of recommendations would require amendments to the *Regional Cooperative Education Act* and that a draft of those amendments would be provided to the committee for consideration at a later meeting.

- As a result of its deliberations, the work group recommends that statute be amended to:
 - require that all RECs provide a continuum of services without specifically delineating all possible services;
 - add language that expressly permits RECs to engage in entrepreneurial activities in addition to the required continuum of services; and
 - identify the procedures that will be used to hold RECs accountable for meeting the needs of their members without delineating specific accountability measures, which are subject to change.
- The work group also recommends that:
 - the RECs all use the same integrated data base to report accountability measures;
 - the RECs and PED develop additional accountability measures to assess the outcome of REC services;
 - the RECs and PED continue to refine budget reporting requirements and procedures to ensure that data provided by the RECs is consistent and comparable; and
 - the Legislature consider making an annual appropriation from the General Fund to PED for REC base operational costs.

Dr. Forrer noted that there was one issue yet to be resolved by the work group, namely whether RECs must be designated as LEAs in state law in order to apply for and receive federal grants on behalf of their members. This issue, too, she said, would be resolved at a later meeting.

Ms. Morris began her portion of the presentation by stating that the nine RECs in New Mexico serve a total of 58 rural school districts with a total enrollment of approximately 42,700 students. She noted that 70 percent of the schools served by RECs met adequate yearly progress (AYP) for school year 2006-2007 as compared to the statewide average of 45.5 percent. She then directed the committee's attention to Attachment 4 of the LESC staff brief, *Framework for the Continuum of Services Provided by NM Regional Education Cooperatives*, explaining that for each of the four categories of services provided—educational services/program, fiscal, technology, and administrative—the work group had developed measures that can be used to hold the RECs accountable.

Mr. Aguirre reviewed the results of the work group's efforts regarding the development of uniform budgeting and reporting procedures for the RECs. Noting that PED had been actively involved in developing a process that would work for both PED and the RECs, Mr. Aguirre called the committee members' attention to the previously distributed handout, *Regional Education Cooperatives Continuum of Services, Budget, and Accountability*. He explained that the first part of the handout included budget summaries for all of the RECs, including current operating expenditures and estimated expenditures for additional services that the RECs would like to provide to their members in the future as time and revenue allowed, adding that these estimated expenditures did not constitute a request from the RECs for additional General Fund revenue. Finally, he noted that detailed budgets for each REC followed the summary budgets in the handout.

Committee Discussion:

In response to a committee member's question whether the problem of timely reimbursements had been resolved, Mr. Aguirre stated that PED has been working diligently to improve the process.

A committee member asked if the proposed public school funding formula would provide small school districts with sufficient funding to secure on their own services that are currently provided by the RECs. Ms. Morris replied that the proposed formula would not eliminate the need for fiscal responsibility and that the RECs could provide many services to rural school districts, such as ancillary staff and professional development, on a more cost-effective basis than could individual providers.

In a follow-up question, the committee member asked if the proposed funding formula would provide funding for the RECs. Dr. Forrer explained that it could do so but only indirectly in that school districts could use some of the funding generated to purchase services from the RECs. Dr. Rindone noted that the proposed formula, like the current formula, is designed to generate operational revenue directly only for school districts and charter schools.

In response to a committee member's question how the RECs could help schools to meet AYP, Ms. Morris explained that the RECs provide targeted professional development. Mr. Aguirre added that some RECs actually send individuals into the classroom to work directly with teachers.

In response to a committee member's question why some REC's had budgeted more money for their fiscal audits than had others, Mr. Aguirre noted that the cost of an audit is dependent upon multiple factors including the complexity of an REC's finances and the location of the REC. He added that the more rural the location the harder it is to find an auditor willing to do the job.

A committee member asked how many REC's had late audits. Mr. Don Moya, Deputy Director for Finance and Operations, PED, stated that only one of the REC's was behind in its audits. In response to a committee member's follow-up question whether all nine REC's could procure a single audit, Mr. Moya explained that under current law each REC is a state agency administratively attached to PED and that, as such, it is required by law to be audited separately.

In response to a committee member's question about their insurance providers, Mr. Aguirre stated that five REC's obtain insurance from the Risk Management Division of the General Services Department and that the other four REC's obtain insurance from the New Mexico Public School Insurance Authority.

A committee member expressed concern that school districts in the northwest corner of the state are not being served by an REC. Dr. Linda Coy, Director of REC #2, explained that a number of years ago, there was an REC that served the northwest corner but that it had been disbanded as its membership dwindled. She noted that, if districts in the northwest want REC services, they have several options: they can purchase services as nonmembers from an existing REC; they can request to join an existing REC; or they can request PED to authorize the creation of a new REC.

Several committee members expressed concern that the additional services identified by the REC's could become a financial burden on the state. Dr. Bruce Hegwer, Director of Southwest REC #10, explained that the list of proposed services was developed as a result of the work group's efforts to develop cost estimates of a standard group of basic services that could be offered statewide but that the cost estimate had been done without consideration of potential revenue sources. Ms. Morris added that the cost estimate did not constitute the REC's request for a state appropriation.

Noting that the 2008 Legislature had appropriated \$1.4 million in General Fund revenue to PED for REC operational costs during FY 09, Chairman Miera asked the REC directors if they were ready with a request for FY 10. Ms. Morris stated that the REC's were still discussing the issue among themselves but that they would submit a request to LESC staff within a few days. Dr. Rindone stated that the matter would become part of the committee's discussion of Public School Support Recommendations in December.

DEDICATION OF ESCALANTE MIDDLE/HIGH SCHOOL

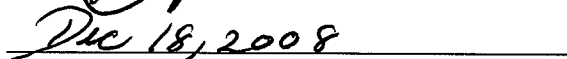
Administrators and members of the board of Chama Valley Independent Schools invited members and staff of the LESC to attend the dedication and ribbon-cutting ceremony of the new Escalante Middle/High School.

ADJOURNMENT

There being no further business, and with the consensus of the committee, Chairman Miera adjourned the LESC meeting at 10:50 a.m.



Chairperson



Date